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C O N F I D E N T I A L SECTION 01 OF 02 DHAKA 000633

SENSITIVE SIPDIS

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SUBJECT: CIVILIAN LEADER SAYS PRAGMATISM GAINING HEADWAY IN

EFFORTS TO RESOLVE POLITICAL IMPASSE

REF: A. DHAKA 0622

¶B. DHAKA 0628

Classified By: Ambassador James F. Moriarty. Reasons: 1.4 (b) and (d)

SUMMARY

11. (C) Civilian leaders in the Caretaker Government who advocate a pragmatic approach to resolving the political impasse with the country's two major parties are gaining headway, according to Commerce and Education Adviser Hossain Zillur Rahman. Hossain told the Ambassador June 10 that there was an ungoing "battle of wills" between an intelligence organization and civilian advisers who were insisting on engaging the two imprisoned former prime ministers -- Sheikh Hasina of the Awami League and Khaleda Zia of the Bangladesh Nationalist Party (BNP). Although the political situation remained exceedingly fluid, allowing Sheikh Hasina to leave jail for medical treatment abroad as demanded by her followers indicated growing support for a pragmatic approach. Post will continue to encourage compromise between the Caretaker Government, its military backers and the political parties to ensure free and fair elections are held in December and democratic reforms are sustained.

## ADVISER SAYS CIVILIAN LEADERS ASSERTING THEMSELVES

- 12. (C) Soon after the Caretaker Government came to power on January 12, 2007, its military supporters tried to implement a "minus two" policy of permanently removing Sheikh Hasina and Khaleda Zia from Bangladeshi politics. Supporters of the plan blamed the two women for the endemic corruption and political violence that marred their administrations. Commerce and Education Adviser Hossain Zillur Rahman on 6/10 told the Ambassador, however, that the two women had demonstrated their staying power by retaining their parties' support while languishing in jail on graft charges. Indeed, both parties had refused to enter a formal dialogue with the Caretaker Government over the future of Bangladesh's democracy until their release from prison. Hossain said there was no choice but to engage Sheikh Hasina and Khaleda Zia, particularly since no new political leaders had emerged to replace them atop their parties.
- 13. (C) Hossain said the advisers who were promoting compromise were engaged in an "assertion battle" with the Directorate General of Forces Intelligence, which had taken a harder line against accommodating the two ladies and their supporters. He said the differing opinions should not be

characterized as a showdown; instead, the advisers had been able to make their case by bringing stronger arguments to bear on how to move forward. (Note: A Council of Advisers headed by a Chief Adviser acts as the Cabinet during the Caretaker Government. End note.) In a separate conversation, Dr. Hasan Mahmud, the special personal aide to Sheikh Hasina, also asserted that the advisers were the driving force in negotiations with the Awami League over her release. In addition to Hossain, Communications Adviser Ghulam Quader played a crucial role, Hasan said. He believed Quader, a retired Major General with a background in intelligence, was well respected in the army and DGFI and therefore was able to convince the military of pursuing engagement with the two ladies.

## ADVISER VOICES CAUTIOUS OPTIMISM

- 14. (C) Hossain expressed guarded optimism that the political process would move forward, saying all players now realized the importance of keeping negotiating channels alive. He believed that the imprisonment of Sheikh Hasina and Khaleda Zia had had a "shock effect" on them, creating a sense of vulnerability that could make them more amenable to compromise. He also believed the ladies realized that the potential political benefits of cooperating with the Caretaker Government and participating in Parliamentary elections in December were greater than those of intransigence.
- 15. (C) Still, Hossain believed progress would be laborious, DHAKA 00000633 002 OF 002

no faster than one step at a time. Although Dr. Hasan said Sheikh Hasina had agreed not to criticize the Caretaker Government once she was abroad, he added that the terms and timing of her return to Bangladesh had yet to be worked out. Thornier still were negotiations over the fate of Khaleda Zia, who had said publicly she did not want to leave Bangladesh. Both of her two imprisoned sons were ailing, and there was persistent speculation they could be released for medical attention abroad should she agree to accompany them. Hossain said that the future of Khaleda's eldest son, Tarique Rahman, was a particularly sensitive issue. Tarique, senior joint secretary-general of the BNP and viewed as heir apparent to his mother as party leader, was widely perceived to be spectacularly corrupt (Note: He could be indicted on graft charges later this month. End note.) Hossain described as unacceptable any scenario under which Tarique returned to power.

COMMENT: COMPROMISE NO LONGER A DIRTY WORD?

16. (C) In conversations with the Ambassador in the past week, Caretaker Government advisers Hossain Zillur Rahman and Ghulam Quader have emphatically backed compromise as the only way out of the political impasse with the major parties and their leaders. Their efforts to accommodate Awami League demands to release Sheikh Hasina from jail to seek medical care in the U.S. suggested military officers who had taken a harder line were at least willing to give engagement at try. It appears to be a tenuous yet hopeful start to what promises to be a long summer of negotiations over Bangladesh's democratic future. Post will support the process by continuing to stress the importance of compromise to all political actors.

Moriarty